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October 7, 2005

VIA HAND-DELIVERY

Charles L.A. Terreni
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RECEIVED
2005 OCT -7 PM 12:06
SC PUBLIC SERVICE
COMMISSION

Re: Docket No. 2005-293-E – Progress Energy Carolinas, Inc. Application for Permission to Sell Land (in North Carolina) That Is No Longer Needed to Provide Utility Service.

Dear Mr. Terreni,

This is to acknowledge that the Office of Regulatory Staff has reviewed the above referenced filing and based on the following information we have no objection to the Company's request for approval of the transfer and sale of this 242 acres of property located in North Carolina. Per the Application the property to be sold is located on Lake Mayo in Person County, North Carolina, and was originally intended for impoundment purposes and construction of the steam generation plant. The Company has determined that this property is no longer required for current utility operations. The property being sold was purchased in two parcels in 1964 and 1989 for a total original purchase price of \$18,594. The Company obtained a broker's opinion of the possible worth of the 242 acres which provided an estimated value of \$670,000. The property consists of approximately 30 total sites on the lake that will be included in the 242 acre parcel. Lake access from the property is restricted and the property is considered "lake view" only. The property has not been developed and therefore no roads or access system is in place nor utility services. The property was marketed for 30 days by the Company and the highest offer of \$1.205 million was accepted. The accepted bid is in excess of both the book value and the broker's opinion of the property value. FERC Account No. 101, Electric plant in service, will be credited the book value of the acreage being sold, and FERC Account No. 421.1, Gain on disposition of property, will be credited the difference between the book value and the sale price.

Thank you for the opportunity to provide our comments in this matter.

Sincerely,


John W. Flitter

JWF/swh

cc: Dan F. Arnett, Chief of Staff, SC ORS
Florence Belser, General Counsel, SC ORS
Len S. Anthony, Deputy General Counsel, PEC
Dr. James Spearman